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New Zealand's Energy Policy
from the World-System Perspective

A thesis presented in partial fulfilment of the requirements
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Abstract

The World-System Theory of Immanuel Wallerstein is a grand-scale theory that is useful as a framework to understand how New Zealand's path of development has been affected by the country's energy policy. The theory is appropriate in application to energy issues because its macro-level of analysis puts emphasis on both exogenous and endogenous factors. Its special emphasis on historical background and context also adds to an understanding of the New Zealand position. The World-System perspective offers three major concepts directly applicable to the case of New Zealand energy policy, namely, the interplay between politics and economics with a particular interest in the role of multinational corporations (MNCs) and the state, the notion of semiperiphery, and the cyclical nature of the world economy.

During the period of the 1970s economic downturn marked by two oil crises, New Zealand as well as most other countries and the MNCs suffered a severe setback. However, while most core states, as well as some successful non-core states and the oil majors, could react appropriately to the crises and retain their potential for growth, the semiperipheral New Zealand could not. The country possessed few options because of her intermediate level of industrialisation and less competent state apparatus compared to the MNCs involved. Lacking the intention to promote local industrial capitalists, the New Zealand state chose wrong strategies, first Think Big and then disinvestment, which together have undermined the bargaining position of local entrepreneurs, over-committed the national hydrocarbon resource and disproportionately promoted the interest of the foreign oil corporations. The overall outcome of the energy policy is therefore detrimental to the country's development.

Preface

This thesis evaluates the context and the outcome of New Zealand's energy policy during 1970s - 1990s. Immanuel Wallerstein's World-System theory is used as the theoretical framework for analysis. The thesis content is therefore divided into two major sections: theoretical framework and New Zealand's energy policy.

Chapter one is the introductory part. Chapter two and three deal with theoretical matters. Chapter two elaborates the overview of the theory and chapter three discusses relevant theoretical aspects. Chapter four will turn the attention of the readers to economic and political settings, both at the global and internal level, during the policy shifts. Chapter six will examine the policy decisions and chapter five will evaluate them. Finally, chapter seven, the conclusion, will synthesize both theoretical and New Zealand's policy sections.

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